GOVERNMENT OF INDIA
COAL
LOK SABHA

STARRED QUESTION NO:296
ANSWERED ON:05.12.2007
INVESTMENT IN COAL MINES ABROAD
Singh Shri Rajiv Ranjan (Lalan);Suman Shri Ramji Lal

Will the Minister of COAL be pleased to state:

(a) whether the Government has taken a decision to invest in coal mines in foreign countries;

(b) if so, the details thereof and the reasons therefor; and

(c) the details of availability of coal from domestic reserves and its adequacy to meet the domestic demand?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO)

(a) to (c) : A statement is laid on the Table of the House.

STATEMENT AS MENTIONED IN THE REPLY TO STARRED QUESTION NO. 296 FOR ANSWER ON 05.12.2007 ASKED BY SHRI RAMJI LAL SUMAN AND SHRI RAJIV RANJAN SINGH "LALAN" REGARDING INVESTMENT IN COAL MINES ABROAD.

(a) & (b) Yes, Sir. Government has approved formation of a Special Purpose Vehicle (SPV) with Steel Authority of India Limited (SAIL), Rashtriya Ispat Nigam Limited (RINL), Coal India Limited (CIL), National Mineral Development Corporation (NMDC) and National Thermal Power Corporation (NTPC) as constituents for acquiring coal properties abroad. This is to ensure security of supply of coking coal and high quality (low ash) thermal coal to meet the coal demand of steel industry, power sector and other industries. The approved initial authorised capital of the SPV is Rs.10,000 crore and the initial equity capital is Rs.3500 crore which is to be contributed by the Central Public Sector Undertaking in the following manner:-

1. SAIL - Rs.1000 crore
2. RINL - Rs. 500 crore
3. CIL - Rs.1000 crore
4. NMDC - Rs. 500 crore
5. NTPC - Rs. 500 crore

CIL through it's "Coal Videsh" department has also been exploring opportunities for acquisition of coal properties in Mozambique, Zimbabwe, South Africa, Canada and Australia.

(c) The total coal reserves in the country are 255.17 billion tonnes (Bt) (222.90 Bt of non coking coal + 32.27 Bt of coking coal), out of which proved reserves are 97.92 Bt, indicated reserves are 118.99 Bt and inferred reserves are 38.26 Bt. Of the non coking coal, about two third is of high ash content. Due to limited availability of coking coal and low ash non coking coal, a part of the demand of such coal is met through imports. The actual coal imports in 2006-07 were 45 million tonnes (Mt.). For the terminal year 2011-12 of the XI Plan, the projected gap between demand and indigenous supply is 51.10 Mt.